



# U.S. Senator Tim Johnson presents **The Power Line**

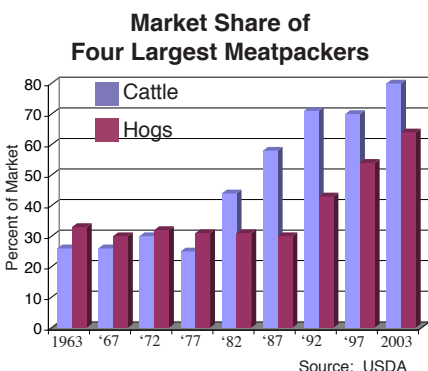
*Making Sensible Energy Choices for Our Future*

## Competition? **WHAT Competition?**

Many South Dakotans have been impacted by too much consolidation in the livestock market. Too few buyers means that a few huge corporate meatpackers can control the market and drive down prices.

The chart below shows that in 1963, the four largest meatpackers controlled 26% of the cattle market and 33% of the hog market. Forty years later, the top four firms controlled 64% of the cattle market and 80% of the hog market.

We need a strong competition title in this new Farm Bill that will restore fair and open markets, and I'll keep pushing for it.



**Look inside for more information about current Farm Bill negotiations...**

## **Oil Slicks...**

Yelling the loudest doesn't mean you've got the facts on your side. That's the oil industry's problem: no matter how hard they try to start rumors claiming ethanol isn't energy efficient, their claim is just plain wrong.

Here are the facts: We get more energy out of a gallon of gasoline than is spent making it. And producing ethanol from corn uses much less petroleum than making gasoline.

The next time you hear someone say ethanol is a net energy waster, try asking them which oil company they're working for...!

## **Looking Beyond Oil**

It was the front page story for most of 2007: High Oil Prices. The price of oil has tripled in the past several years, reaching \$100 per barrel and hitting families in the pocketbook. With our cold winters and long distances to drive, everyone in South Dakota is feeling the pain of high energy prices.

In recent years, America has satisfied our demand for oil by importing about 60% of what we use. Much of that imported oil comes from unstable parts of the world. Let's face facts: It's not in our nation's best interest to be relying on OPEC. Our national security and economic well-being demand that we look for better solutions to meet our energy needs.

We need to displace the demand for gasoline and diesel fuel with home-grown sources. In December, Congress passed the Energy Independence and Security Act, a landmark energy bill leveraging South Dakota's ability to solve America's energy challenges. At the heart of the new law is a big boost in the Renewable Fuels Standard, offering us a tremendous opportunity to keep our state's rural economy moving in the right direction.

The new Energy Bill builds on an equally important Energy Bill passed in 2005; I was proud to help steer that measure through Congress. The 2005 Energy Bill created the first nationwide requirement for renewable fuels, and rural America is now beginning to realize the benefits of that landmark legislation.

This new Energy Bill will mean more jobs and better opportunities, attracting the next generation of South Dakotans to raise their families in our state.

While ethanol alone will not be able to completely offset all those foreign oil imports, it does bring us a step closer to energy independence. Moreover, a strong commitment to home-grown energy brings jobs to our communities, prosperity to rural America, and sends an important message to OPEC that we're not going to let them kick us around forever.



U.S. Senator Tim Johnson spoke at the South Dakota Corngrowers Annual Meeting on January 15, 2008. Johnson spoke about the need for renewable fuels to be a larger part of our nation's energy mix.

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**USA**

## Goodbye, Foreign Oil!

An ethanol plant producing 100 million gallons of ethanol each year will replace 1.6 million barrels of foreign oil imported from unstable parts of the world.

In South Dakota, we currently produce 625 million gallons of ethanol each year, meaning we can tell the sheiks in the Middle East to keep 7.85 million barrels of their oil.

*Good Riddance!*

## Harness the Wind

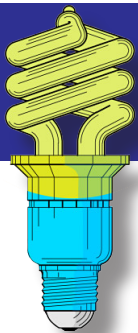
We know it's windy in South Dakota. Every season is greeted by fresh breezes heralding the change.

Just as we have captured the power of the mighty Missouri River and used it to power our hydroelectric dams, so too can we harness the wind as an excellent source of electricity. Our grandparents used the wind to pump water on their farms; hopefully we will soon see new, modern wind turbines popping up across our state to harness the wind for electricity production.

Already, wind energy is presenting opportunities for our state. Several small projects are already underway, and a new manufacturing plant is being constructed in Aberdeen to manufacture the fiberglass blades used on wind turbines.

I am working to pass legislation that will boost wind energy production in South Dakota, allowing us to once again make use of the wind that sweeps across our prairie. From my position on the Senate Energy Committee, I'm pushing for a requirement that 15% of electricity production come from renewable energy sources, including wind energy along with geothermal and hydroelectric production.

I also support tax incentives for small commercial and residential wind energy production. The Senate version of the Farm Bill included tax incentives for these small projects.



## Small Changes Save Big Bucks!

High energy costs are on everyone's mind these days. Taking a few minutes to review your home's energy usage can pay off when it comes time to pay those utility bills. Here are just a few simple ideas to help you keep energy dollars in your pocket:

### Know Your Energy Usage:

The ENERGY STAR website, [www.energystar.gov](http://www.energystar.gov), is run by the Environmental Protection Agency (EPA) and provides a do-it-yourself guide to evaluating your home energy usage and making money-saving improvements.

Many local utility providers offer free or low-cost energy audits that will help determine simple and effective ways to improve your home's energy efficiency.

### Small Changes Add Up:

Proper weatherstripping and caulking of windows and doors can really make a difference in your home heating bills. Proper attic insulation is another improvement that pays for itself over time.

Installing a programmable thermostat that automatically adjusts the temperature of your home can save money by reducing the need to heat or cool your home when your family is away.

When replacing older appliances, look for Energy Star rated products. Products that have earned the Energy Star label use 10-50% less energy than standard products.

Replacing regular incandescent light bulbs with compact fluorescent (CF) bulbs can save money and headache over time. CFs are more energy efficient and last much longer than regular light bulbs.

### Harvest Savings at Tax Time:

If you made energy efficiency improvements to your home in 2007, you may be able to claim up to \$500 in credits when filing your federal income taxes.

- Energy Efficient Windows and Doors: 10% of cost, up to \$200 for windows or \$500 for doors.
- Insulation: 10% of cost, up to \$500
- Heating and Cooling Equipment: \$30 to \$500, depending on type

For eligibility information and other details, contact your tax advisor or visit the IRS website at [www.irs.gov](http://www.irs.gov).

## Did You Know...?

...Since 2002, we've tripled the amount of ethanol produced in South Dakota.

...More than 254 million bushels of corn are used for ethanol production in our state.

...In South Dakota, 800 people are directly employed by the ethanol industry on a full- or part-time basis. However, the overall economic impact of ethanol is much larger, having created more than 6,000 jobs for our families and neighbors.

...For every \$1 million of ethanol produced in South Dakota, \$446,000 in other goods and services are purchased from South Dakota businesses.

...Ethanol production created \$550 million in wealth for our state in 2007.



# New Farm Bill On The Agenda

*The Senate passed its version of the Farm Bill on December 14, 2007. The House of Representatives has also passed their version of the bill, and differences between the two versions must be ironed out before the measure can be sent to the President for his signature.*

South Dakota farmers and ranchers need to know what will be included in the final Farm Bill so they can plan accordingly. I am hopeful that Congress will move quickly to finalize a sound and sensible package.

The Farm Bill reauthorization presents our state with an opportunity to make federal farm programs work better for our producers and our entire nation.

In addition to the Farm Bill itself, however, there are two other important factors that must be present to ensure the legislation is successful. First, the Administration must implement the laws as Congress wrote them. COOL is a case in point: although it was signed into law many years ago, the Bush Administration has opposed, stalled and obstructed Country-of-Origin Labeling that American consumers and producers want. For federal farm policy to be successful, the Administration needs to start looking out for American interests.

The other thing needed for a successful federal farm policy is money. While rewriting the Farm Bill is important, Farm Bill programs are only as good as the dollars put behind them. From my seat on the Senate Appropriations Committee and the Agriculture Appropriations Subcommittee, I'm well-positioned to fight for meaningful funding to support Farm Bill Programs. I'll also press for specific projects in our state that help strengthen rural communities.



## What's In the Bill?

### A Look at the Senate's Draft of the Farm Bill

#### COOL



**Included**

Country-of-Origin Labeling (COOL) was enacted into law as part of the 2002 Farm Bill, and I was proud to have led the fight for that program. The implementation deadline was September 30, 2004. Yet even today, when consumers visit the meat case of their local grocery store, they still don't know whether their beef came from Timber Lake or Timbuktu. Through an outrageous series of backroom deals and stall tactics, opponents of COOL and their allies in the White House have managed to undermine the program at every turn.

Both the Senate and House of Representatives' draft of the new Farm Bill set an implementation date of September 30, 2008. Because both chambers agree that Americans deserve to know the origin of the food they serve their families, it is my hope that the White House will stop indulging a handful of giant meatpackers and will stand up for what the American people want and deserve.

American ranchers produce the best meat in the world, and that's really what Americans want to buy. American consumers have been waiting far too long to know the origin of the food they feed their families.

#### Disaster Assistance



**Included**

Let's face it: No matter how much we plan, we can't control the weather. There are always going to be some years that the weather just won't cooperate and crop losses will be staggering.

South Dakota has faced its share of agricultural disasters in recent years, and we know the importance of managing risk. The Senate draft of the Farm Bill provides \$5.1 billion for a structured agriculture disaster assistance program. In order to qualify, producers would need to be covered by crop insurance. The disaster assistance program benefits available to producers with crop losses would increase with higher levels of coverage. That arrangement rewards producers who are doing all they can to manage risk, while also allowing some basic level of disaster assistance to producers who purchase only minimal crop insurance. Uninsured producers would be ineligible for disaster program payments.

#### Payment Limitations



**Omitted**

I was greatly disappointed that the Senate and House of Representatives' versions of the farm bill failed to include common-sense payment limitations. With about 71% of farm program payments being dolled out to only 10% of our nation's producers, it is clear that our current payment structure has failed rural America. I have long supported meaningful payment caps, and I will continue fighting to target our farm program benefits.

Dear Friends,

One of the most important parts of my job is making sure that you are satisfied with my work in the Senate. It's very important that I know what you think, whether you believe there are ways I could better serve South Dakotans, or whether you are basically satisfied with the job I've done representing our state in the United States Senate.



America faces many difficult decisions that will affect our nation for generations. This newsletter contains information that I believe you will find interesting and thought-provoking and, as always, I would appreciate hearing your thoughts. Your input is critically important to my ability to represent you in the Senate. Please take a couple of minutes to fill out the form and then return it to me at the following address:

**U.S. Senator Tim Johnson**  
136 Hart Senate Bldg  
Washington, DC 20510

What do you believe are the three most important issues facing our nation today?

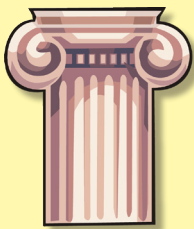
- 1. \_\_\_\_\_
- 2. \_\_\_\_\_
- 3. \_\_\_\_\_

How do you judge my work as your Senator? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

If you've had any contact with my office, were you satisfied with the service you received? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Is there any way that I can better serve you? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

May I please have your email address? \_\_\_\_\_



**Hometown Prosperity**

High energy costs and the new farm bill are important to our state, but there are many other factors that influence our state's economy and our family pocketbooks. That's why I've developed my Hometown Prosperity Plan, a four-pillar plan to advance our South Dakota agenda. A complete copy of my plan is available on my website at <http://johnson.senate.gov>.

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